

STATEMENT OF PURPOSE

RS22889

This bill allocates the distribution of cigarette taxes in the following ways, beginning in FY 2015.

- 1.) Permanent Building Fund from 17.3% of the amount available to be distributed to a fixed amount of \$5,000,000 per year, and
- 2) Provides for tax refund claims, in a manner consistent with other tax statutes; and
- 3) Cancer Control Fund within the Department of Health and Welfare from 1% of taxes distributed to a fixed amount of \$300,000 per year, and
- 4) Central Cancer Registry Fund within the Department of Health and Welfare from 0.4% of taxes distributed to a fixed amount of \$120,000 per year, and
- 5) Public School Income Fund from \$.051746 of the tax collected per package of twenty (20) cigarettes to a fixed amount of \$3,315,000 per year, and
- 6) County Juvenile Probation Fund from \$.051746 of the tax collected per package of twenty (20) cigarettes to a fixed amount of \$3,315,000 per year; and
- 7) An amount equal to the annual General Fund appropriation for bond levy equalization, less 25% of the net lottery proceeds issued to the state general fund.

This bill allocates the remaining cigarette tax revenue, after the Capitol Restoration project bonds have been paid in full, in the following manner.

- 8) First, funds will be used to pay the state match of the annual GARVEE debt service, which is approximately \$4.7 million per year through FY 2030. The debt service payments due for FY 2031 are \$721,000, and in FY 2032 will be \$506,000.
- 9) The next distribution will be to the Water Resource Board for aquifer recharge. The Secondary Aquifer Planning, Management, and Implementation Fund will receive \$3,000,000 annually under a continuous appropriation.
- 10) The Aquifer Planning and Management Fund will then receive a fixed distribution of \$2,000,000, subject to appropriation by the Department of Water Resources.
- 11) The State Highway Account in the Department of Transportation will receive any remaining distributions to pay for maintenance of the state highway system.

FISCAL NOTE

The allocation to the Permanent Building Fund, the Cancer Control Fund, the Central Cancer Registry Fund, the Public School Income Fund, and the County Juvenile Probation Fund will provide a fixed amount in order to protect these programs from future revenue declines. The Refund account will vary to cover necessary expenses. The final payment relating to the bonds for the Capitol Restoration project will be made in FY 2015. Additional cigarette tax revenue will be distributed first to the GARVEE Debt Services Fund, to a maximum of \$4.7 million. Secondly,

to the Secondary Aquifer Planning, Management and Implementation Fund, to a maximum of \$3 million annually. Thirdly, to the Department of Water Resources Aquifer Planning and Management Fund to a maximum of \$2 million. Lastly, all remaining money will be paid to the State Highway Account.



Contact:

Representative Scott Bedke
Representative Mike Moyle
(208) 332-1000